

Agenda item 5

For decision - Finance report to Oversight Committee to mid-year, 30 September 2023

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Enclosed with this report are the financial statements to mid-year 2023-24:

- [External Auditors Report for year end March 2023](#)
- [Appendix 5.2 Detailed Income & Expenditure to 30 September 2023](#)
- [Appendix 5.3 Balance Sheet to 30 September 2023](#)
- [Appendix 5.4 Earmarked Reserves detail at 30 September 2023](#)
- [Appendix 5.5 Payments over £500 July – Sept 2023](#)

External auditors PKF Littlejohn completed their assessment of our AGAR (Annual Governance & Accounting Return) for 2022-23 and gave a fully satisfactory approval. Their confirmation can be viewed here: <https://www.frometowncouncil.gov.uk/wp-content/uploads/2023/09/Notice-of-conclusion-of-audit-External-Auditor-2022-23.pdf> We published this on our website and the outside notice board at the Town Hall offering a second 'Exercise of Public Rights' (members of the public can inspect accounts) on 25 September.

At 30 September - mid-way through the 2023-24 financial year - most account codes look set to fall within budget. A few exceptions which, assuming no unexpected expenditure in the next six months, should result in a surplus at year end. This is useful as we start to draft the budget for 2024-25.

Current highlighted codes for potential underspends:

Bank Interest income (NL code 900-2001) - estimated to end the year approximately £40k over budget – this is due to the decision post 2023-24 budget setting, to invest our cash reserves in the CCLA Public Sector Deposit Fund, approved at Oversight Committee 26 July 2023.

Town Hall Utilities expense (NL code 200-7910) – estimated to end the year £10k underspent – we negotiated a revised kWh rate in August with supplier Good Energy for a 12 month period to August 2024 at less than the anticipated 100% increase. Per kWh rates went up by 57% to 25.46p plus climate levy, *but* the daily standing charge at the Town Hall went up by 176% to £4.23 per day.

During the next few weeks all budget holders will be working to build a draft budget for 2024-25 for councillor discussions, review and final approval at Council in January 2024.

Looking forward, I would value Cllrs thoughts on the following: Paul advises that devolution matters may arise faster than expected and we may be required to make financial decisions sooner than previously anticipated. Whilst we have *some* financial reserves available for quick decisions, we do not have enough legal and HR resource to respond to a sudden increase in asset purchases, legal negotiations and recruitment. Laura Flaherty is over committed with her work covering both HR and Exec Asst to the Town Clerk so additional resource and/or higher level expertise if TUPE matters arise for example, will be needed in HR. In finance, we

perform on a day to day accounting and reporting basis at present and would need more time and training if more sophisticated modelling or forecasting is desirable.

For interest, an article published in the Levens magazine earlier this year, [can be seen on the website at Appendix 5.1](#), gave data showing how towns in Mendip compared to each other in relation to the number of residents and level of Precept.

For 2022-23 Frome came fourth in the listings of precept per capita (sorted either by population or per capita Precept).

Precept per person			
Area	23/24	Population	£/Person
Taunton	£ 2,114,000.00	50,000	£ 42.28
Bridgwater	£ 1,153,746.00	44,000	£ 26.22
Yeovil	£ 1,335,693.00	33,000	£ 40.48
Frome	£ 1,983,504.00	29,000	£ 68.40
Burnham & Highbridge	£ 768,500.00	24,000	£ 32.02
Wellington	£ 466,332.00	17,000	£ 27.43
Street	£ 650,000.00	14,000	£ 46.43
Chard	£ 775,334.00	13,000	£ 59.64
Wells	£ 1,149,307.00	12,000	£ 95.78
Minehead	£ 753,261.00	12,000	£ 62.77
Shepton Mallet	£ 715,750.00	11,000	£ 65.07
Glastonbury	£ 650,294.00	9,500	£ 68.45
Crewkerne	£ 527,656.00	7,000	£ 75.38
Wincanton	£ 406,294.00	6,000	£ 67.72

Frome lists 4th both in population size and level of precept per person.

Precept increases between 2022 and 2023

Increase in Precept between 2021-22 and 2022-23			
Area	21/22	23/24	% increase
Wells	£ 652,622.00	£ 1,149,307.00	76.11%
Glastonbury	£ 414,002.00	£ 650,924.00	57.23%
Street	£ 471,500.00	£ 650,000.00	31.86%
Wellington	£ 353,354.00	£ 466,332.00	31.97%
Bridgwater	£ 878,814.00	£ 1,153,746.00	31.28%
Wincanton	£ 325,238.00	£ 406,294.00	24.92%
Crewkerne	£ 440,037.00	£ 527,656.00	19.91%
Chard	£ 661,062.00	£ 775,334.00	17.29%
Shepton Mallet	£ 615,970.00	£ 715,750.00	16.20%
Yeovil	£ 1,177,276.00	£ 1,335,693.00	13.46%
Frome	£ 1,802,305.00	£ 1,983,504.00	10.05%
Burham & Highbridge	£ 707,399.00	£ 768,500.00	8.64%
Minehead	£ 713,500.00	£ 753,261.00	5.57%

Sarah is researching broader Council Tax trends across local parishes and will report further at Oversight on 25 October 2023.

Recommendations

1. [Approve Appendix 5.2 the Income & Expenditure report at 30 September 2023](#)
2. [Approve Appendix 5.3 the Balance Sheet at 30 September 2023](#)
3. [Approve Appendix 5.5 Payments over £500 July to September 2023](#)